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July 1, 2019

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Request of the Office of Regulatory Staff regarding Universal Service Fund and Lifeline Program Administrative expenses

Docket No. 1997-239-C

Dear Ms. Boyd:

During the Commission business meeting of June 26, 2019, the question of whether the South Carolina Universal Service Fund ("Fund") could be placed in an interest-bearing account was raised.

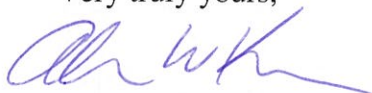
While the Lifeline funds do earn interest, that interest is not made payable to ORS or to the Fund itself by S.C. Code Ann. § 58-9-280(E), which establishes the Fund. According to the State Treasurer's Office, an account may only bear and keep interest if specified in its enabling statute or budget proviso. See S.C. Code Ann. § 11-13-125 ("[A]ll earnings from investments of general deposit funds shall become a part of the General Fund of the State."); Fiscal Year 2019-20 Proviso 1B §98.13.¹ Absent this specific instruction, any interest earned from investment is remitted by

¹ Available at https://www.scstatehouse.gov/sess123_2019-2020/appropriations2019/GOVPartIB.pdf.

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the South Carolina State Treasurer to the State's General Fund. *See* S.C. Code Ann. §§ 11-13-30, -40, -125, and 11-9-660.

Very truly yours,



Alexander W. Knowles

cc: All Parties of Record (via E-mail)
Joseph Melchers, Esquire (via E-mail)